



United States
Environmental Protection Agency



The Financial Power of ENERGY STAR® for Corporate Real Estate

The US Environmental Protection Agency (EPA) created ENERGY STAR to recognize and promote excellence in strategic energy management and environmental responsibility. Corporate real estate executives use ENERGY STAR tools and resources to improve building energy performance, lower operating costs, and make their organizations more competitive, profitable, and valuable.

Energy is the single largest operating expense in office buildings, accounting for approximately one-third of total recurring expenditures. The average office building can reduce its energy consumption by 30% using off-the-shelf technologies and best-in-class management practices.

Improve the Financial Performance of Your Company

Investments in energy performance improvements typically have 20 to 30% rates of return and are low risk compared to other capital investments. Strategic investments in energy improvements can:

- Reduce operating expenses;
- Lower occupancy costs;
- Increase profit margins and earnings per share;
- Enhance shareholder value; and
- Establish higher market valuation.

Whether you own or lease your office space, ENERGY STAR can help you manage your energy performance to maximize returns and improve the bottom line.

A thirty percent reduction in energy costs can reduce a tenant's lease costs by an average of \$0.50 per square foot per year.

"ENERGY STAR has helped Verizon prioritize the energy performance of our administrative buildings. From this we are identifying and attacking the areas that offer the greatest financial return. By targeting energy performance, Verizon is making measurable strides in pollution reduction as well as financial responsibility."

- Rod Sluyter
Director of Team Energy
Verizon

ENERGY STAR's Strategic Investment Plan

ENERGY STAR provides a suite of tools and resources to empower your company to benchmark building energy performance, set goals, implement a proven strategy to improve energy performance, and communicate your successes to shareholders, employees, and other stakeholders.

Understanding the energy requirements and performance of corporate real estate enables your company to:

- Enhance the value of your real estate holdings;
- Better negotiate future leases and evaluate real estate purchases;
- Incorporate ENERGY STAR efficiency standards into future land development;
- Reduce exposure to energy price fluctuations and supply volatility; and
- Improve bargaining position for energy purchase agreements and evaluation of energy contracts.

Leased Space Provides Unexpected Opportunities to Control Cost

Regardless of your lease structure, opportunities to improve equipment and operation practices exist that can dramatically impact occupancy costs. Typical energy costs are \$1.50 per square foot. A 30% reduction in energy costs, can reduce a tenant's cost by \$0.50 per square foot. For a 50,000 square foot space with a 5-year lease, the investment could be \$50,000 and the savings would add up to \$125,000 over the life of the lease. By working with your landlord and ENERGY STAR, you can identify opportunities to improve the energy performance of your space and lower occupancy costs.

Improving the Quality of Your Business

Energy is about more than improving the quality of your buildings, it is about improving the quality of your business. ENERGY STAR can assist you to implement a strategic energy investment plan for your corporate real estate. The benefits go beyond lower energy costs and better managed risk to a more productive and comfortable work environment—all the while improving your bottom line.

- ✓ Over half the companies in the Fortune 500 participate in ENERGY STAR.
- ✓ ENERGY STAR has helped prevent 1.2 trillion pounds of carbon dioxide emissions to date, with cumulative energy bill savings of \$60 billion through 2010.
- ✓ The National Energy Policy highlights and calls for the expansion of ENERGY STAR.

To learn more...

Contact your
ENERGY STAR Account Manager

ENERGY STAR Hotline
1-888-STAR-YES (1-888-782-7937)

www.energystar.gov